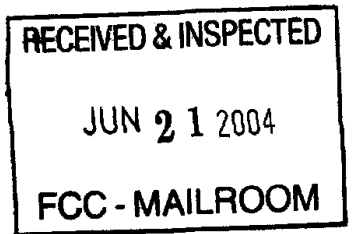


DOCKET FILE COPY ORIGINAL



CONSULT • DESIGN • CONSTRUCT



June 15, 2004

**FEDERAL COMMUNICATIONS COMMISSION**

Office of the Secretary  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Re: CC Docket No. 02-6

To whom this may concern:

Since filing this appeal, we have been sent several repayment/offset demand letters with different case numbers for the same projects. In our original appeal, our basis for appeal only covered Billed Entity #143454, 471 Application #154262, FRN# 297172. And now we have been billed for # 471 Application Numbers, 153035 and 153020, FRN#'s 297160 and 298632 which never gave us anytime for appeal.

Downey Electric cannot understand, why according to USAC's letter dated April 16<sup>th</sup> 2004, the first appeal was denied due to a date that the SLD assumably set for filing then funded erroneously. How could this happen three times to us and to almost everyone I know that was involved in this program?

The contractor is not the auditor or the author of this huge mistake. USAC tells us we can take up legal repress with the SLD if we believe it warranted. Maybe this is where to first start looking for a refund.

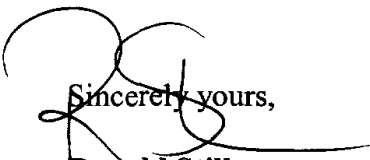
I am an SBE contractor who only filed according to bid instructions and do not have the kind of resources to write a check no matter what the alleged amount is.

I believe whether given erroneously or not, it served its purpose for the school district.

Downey would like to hear the FCC's take on this whole fiasco and would like to see documentation giving USAC the authority to address these filings.

Please see attached demands and correspondence from USAC and please reconsider our appeal.

Sincerely yours,

  
**Ronald Stillman**  
President  
Downey Electric, Inc.

No. of Copies rec'd   
List ABCDE



**Universal Service Administrative Company**  
Schools & Libraries Division

---

**REPAYMENT/OFFSET DEMAND LETTER**

April 12, 2004

Rolly Bales  
Downey Electric, Inc.  
11205 Imperial Hwy  
Norwalk, CA 90650

SPIN: 143016697  
Applicant Name LOS ANGELES UNIFIED SCHOOL DISTRICT  
Billed Entity Number: 143454

Dear Service Provider Contact:

You were recently sent a Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Option Selection Worksheet attached to this letter. The Federal Communications Commission by its Order FCC 00-350 (released October 26, 2000) has directed USAC to implement the funds recovery process from service providers who received erroneous funding amounts. Listed below are the options available to you to return the total 'Funds to be Recovered' amount as specified on the Commitment Adjustment Letters you have been provided.

You may choose one of three options:

1. Remit to USAC the stated 'Funds to be Recovered' amount, within 30 days of the date of this letter,
2. Offset the stated amount owed to USAC by foregoing disbursement on alternate valid funding commitments or pending funding requests for the same applicant for the same or alternate funding year, or
3. A combination of the above two methods. The sum must equal the required recovery amount.

- If you select the cash payment option (# 1), please make your check payable to: "USAC – Fund Recovery" and remit the full "Funds to be Recovered" amount.

- If you select the offset option (# 2), USAC will offset the first submitted invoices, regardless of the alternate FRNs to which they apply, against the USAC recovery amount. You will be notified that the invoices have been approved and the funds have been credited as an offset. Once the USAC recovery is satisfied, any additional invoices submitted will be processed as normal, subject to remaining availability of funds for each FRN.

- If you select the combination option (#3), please indicate the amount of cash payment and make your check payable to: "USAC – Fund Recovery." The difference between the dollar amount remitted and the total "Funds to be Recovered" amount due to USAC is the remaining amount to be recovered by foregoing disbursement on alternate FRNs after work is completed and invoices are submitted to USAC. The sum of both options must equal the required recovery amount.

If an offset methodology is selected either via Option 2 or 3 above, the following examples may help you understand how USAC will process submitted invoices to ensure accurate and timely recovery of funds. The offset methodology will apply to either Service Provider Invoice Forms (FCC Form 474) or Billed Entity Applicant Reimbursement (BEAR) Forms (FCC Form 472).

Example illustrates processing of invoices that exactly offset the recovery dollar amount:

Adjusted FRN and Recovery Dollar Amount	Alternate FRN and Available Dollar Amounts	Invoices Submitted SPIF or BEAR	USAC Applies to Recovery	USAC Pays
123 \$1,000	124 \$1,500	\$300	\$300	-0-
	125 \$ 800	\$400	\$400	-0-
	126 \$1,200	\$300	\$300	-0-
Total \$1,000	\$3,500	\$1,000	\$1,000	

Example 2 illustrates how invoices can be processed once the FULL amount of the recovery has been obtained:

Adjusted FRN and Recovery Dollar Amount	Alternate FRN and Available Dollar Amounts	Invoices Submitted SPIF or BEAR	USAC Applies to Recovery	USAC Pays
123 \$1,000	124 \$1,500	\$600	\$600	-0-
	125 \$ 800	\$800	\$400	\$ 400
	126 \$1,200	\$1,200	\$0	\$1,200
Total \$1,000	\$3,500	\$2,600	\$1,000	\$1,600

Please review the attachments **complete the Option Selection Worksheet, and return it within 30 days of the date of this letter.** An instruction sheet has been provided as well as a listing of alternate FRNs with valid or pending funding commitments available for offset.

If you have any questions, please call 1-888-203-8100, and ask for the Technical Client Service Bureau. These specially trained staff can assist you with this process.

Universal Service Administration Company  
Schools and Libraries Division

Attachments

CC: James Alther

LOS ANGELES UNIFIED SCHOOL DISTRICT  
355 S. GRAND AVENUE, RM. 305,  
LOS ANGELES, CA 90071

**INSTRUCTIONS FOR:**

**SERVICE PROVIDER  
“OPTION SELECTION WORKSHEET”**

**1. Check Repayment option**

- If you are choosing Option 1 or 3

**Return within 30 days of the date of this letter:**

The completed, signed Option Selection Worksheet with  
your check to the appropriate address identified below:

If sending by US Mail or major courier service (e.g. Airborne,  
Federal Express, and UPS) please send check payments to:

Universal Service Administrative Company  
1259 Paysphere Circle  
Chicago, IL 60674

If you are located in the Chicago area and use a local messenger  
rather than a major courier service, please address and deliver the  
package to:

Universal Service Administrative Company  
Lockbox 1259  
540 West Madison 4th Floor  
Chicago, IL 60661

Local messenger service should deliver to the Lockbox Receiving  
Window at the above address.

- If you are choosing Option 2:

Return the completed, signed Option Selection Worksheet **within 30 days of the date of this letter to:**

Box 125, Correspondence Unit,  
80 South Jefferson Road,  
Whippany, New Jersey 07981

2. Indicate the amounts for the recovery option you have chosen.
3. **Sign and date** the Worksheet where indicated.

**OPTION SELECTION WORKSHEET**

**Case Number: OSW- 87**

**SELECT PAYMENT OPTION AND AMOUNTS FOR RECOVERY:**

Applicant Name: LOS ANGELES UNIFIED SCHOOL DISTRICT  
Applicant Address: 355 S. GRAND AVENUE, RM. 305, , LOS ANGELES, CA 900  
Billed Entity Number 143454

**ERRONEOUSLY DISBURSED FUNDS:**

<u>Funding Year End</u>	<u>471 #</u>	<u>FRN</u>	<u>Funds to be Recovered</u>
06/30 2000	153020	268632	\$208,386.00
06/30 2000	153035	297160	\$280,899.00
06/30 2000	154262	297172	\$405,927.00
Total Funds to be recovered for this applicant:			<u>\$895,212.00</u>

**Check one repayment option and specify dollar amount:**

1. ☐ Remit check for total amount
2. ☐ Offset total amount from FRNs
3. ☐ Combination check and offset

**TOTAL TO REMIT:** \$ \_\_\_\_\_

**TOTAL AMOUNT TO OFFSET:** \$ \_\_\_\_\_

**TOTAL AMOUNT OF RECOVERY:** \$ \_\_\_\_\_

*(Must equal the total amount to recover stated above)*

Signature of Authorized Representative \_\_\_\_\_  
Print Name of Authorized Representative \_\_\_\_\_  
Name of Service Provider \_\_\_\_\_  
Date \_\_\_\_\_

**SCHEDULE OF ALTERNATIVE VALID FRNs AVAILABLE FOR OFFSET**

Applicant Name: LOS ANGELES UNIFIED SCHOOL DISTRICT  
Applicant Address: 355 S. GRAND AVENUE, RM. 305, , LOS ANGELES, CA 900  
Billed Entity Number 143454

**Other Valid FRNs for this applicant with unpaid dollars available for Offset:**

<u>Fund Year En</u>	<u>471 #</u>	<u>FRN</u>	<u>Dollars Potentially Available for Offset</u>
<b>Total Potentially Available for Offset:</b>			<b>\$0.00</b>

**NO OFFSETS AVAILABLE.**

\* The FCC directed in its October 26, 2000, Order that USAC permit service providers to choose as potential offsets pending funding requests that have not yet been the subject of a Funding Commitment Decision Letter (FCDL). Therefore, the column 'Dollars Potentially Available for Offset' may include FRNs in the SLD system for which no decision has yet been issued. If so, those pending FRNs are indicated by an asterisk to the right of the requested discount. If, after SLD review is completed, any such request is reduced or denied, the potential offsets would be reduced and if total potential offsets fall below the 'Total Funds to be Recovered' shown above, the service provider will be required to remit payment for any shortfall.



**Universal Service Administrative Company**  
Schools & Libraries Division

---

**Administrator's Decision on Appeal - Funding Year 1999-2000**

April 16, 2004

RECEIVED  
APR 19 2004

BY: \_\_\_\_\_

Ronald Stillman  
Downey Electric, Inc.  
11205 Imperial Highway  
Norwalk, CA 90650

Re: Los Angeles Unified School District

Re: Billed Entity Number: 143454  
471 Application Number: 154262  
Funding Request Number(s): 297172  
Your Correspondence Dated: January 16, 2004

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision regarding your appeal of SLD's Funding Year 1999 Commitment Adjustment Decision for the application number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one application number, please note that for each application an appeal is submitted, a separate letter is sent.

Funding Request Number(s): 297172  
Decision on Appeal: **Denied in Full**  
Explanation:

- You appeal the SLD's Commitment Adjustment Decision Letter. In support of your appeal, you state that there are several issues that cannot be resolved without further research and study. Further, Downey Electric, Inc. does not have anyone presently employed who worked on the Los Angeles Unified School District ("LAUSD") project or handled that paperwork. You are appealing the fact that the competitive elements of the project did not meet SLD requirements and you — indicate that there were several competitors. You assert that the April 1, 1999 signing date for contracts could have easily been delayed, as you did not get started on the project until later in 1999.

- After thorough review of the Letter of Appeal and all relevant documentation, we find the following facts. During an audit of the LAUSD, the auditors determined that the contract for this funding request was executed before the Allowable Contract Date ("ACD") listed on the submitted Form 471 application. It was determined that during the course of the audit the applicant was given a chance to correct the Contract Award Date ("CAD"), if possible, by providing additional documentation and/or citing an alternate establishing Form 470, which could have potentially corrected the ACD. Furthermore, pursuant to the applicant response it was determined that the applicant indicated the originally listed CAD and cited Form 470 were correct. Based on the aforementioned applicant response and documentation contained within the SLD records, it was determined that the committed \$405,927.00 was committed in error, disbursed, and will be recovered in full. Therefore, we find that the Commitment Adjustment Letter, dated November 19, 2003, was properly issued to the applicant and service provider in accordance with the rules of the Universal Support Mechanism. Consequently, the appeal is denied in full.
- The SLD's decision to seek recovery from the service provider of funds committed and disbursed in error is a direct result of an audit conducted by the Universal Service Administrative Company ("USAC"), and is permitted under FCC rules.<sup>1</sup> Accordingly, USAC has created a recovery plan, with Commission approval, to recover funds erroneously disbursed in years 1998 and 1999 of the Schools and Libraries Support Program. In an FCC Order, the FCC concluded that "continuance of USAC's fund recovery plan beyond year one of the program fully complies with Commission rules, and will ensure the integrity of the support program on a going-forward basis".<sup>2</sup> Therefore, concurrent with FCC oversight, USAC is permitted to recover funds from an applicant or service provider if such sums were disbursed contrary to program rules and/or legislative intent.<sup>3</sup> However, the service provider may seek legal redress from the school or library if it believes such action is warranted.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12<sup>th</sup> Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

---

<sup>1</sup> § 54.516(c)

<sup>2</sup> Changes to the Board of Directors of the National Exchange Carrier Association, Inc., CC Docket 97-21 and 96-45, Order, 15 FCC Rcd. 22,975 at ¶ 10 (2000).

<sup>3</sup> *Id.*

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

cc: Jim Konantz  
Los Angeles Unified School District  
355 South Grand Avenue, 11<sup>th</sup> Floor  
Los Angeles, CA 90071



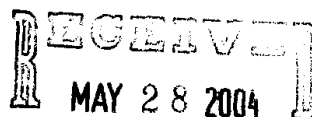
**Universal Service Administrative Company**  
Schools & Libraries Division

---

REPAYMENT/OFFSET DEMAND LETTER

May 25, 2004

Rolly Bales  
Downey Electric, Inc.  
11205 Imperial Hwy  
Norwalk, CA 90650



BY:.....

SPIN: 143016697  
Applicant Name LOS ANGELES UNIFIED SCHOOL DISTRICT  
Billed Entity Number: 143454

Dear Service Provider Contact:

You were recently sent a Commitment Adjustment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Option Selection Worksheet attached to this letter. The Federal Communications Commission (FCC) by its Order FCC 00-350 (released October 26, 2000) has directed the Universal Service Administrative Company (USAC) to implement the funds recovery process from service providers who received erroneous funding amounts. Listed below are the options available to you to return the total 'Funds to be Recovered' amount as specified on the Commitment Adjustment Letters you have been provided.

You may choose one of three options:

1. Remit to USAC the stated 'Funds to be Recovered' amount, within 30 days of the date of this letter,
2. Offset the stated amount owed to USAC by foregoing disbursement on alternate valid funding commitments or pending funding requests for the same applicant for the same or alternate funding year, or
3. A combination of the above two methods. The sum must equal the required recovery amount.

- If you select the cash payment option (# 1), please make your check payable to: "USAC – Fund Recovery" and remit the full "Funds to be Recovered" amount.
- If you select the offset option (# 2), USAC will offset the first submitted invoices, regardless of the alternate FRNs to which they apply, against the USAC recovery amount. You will be notified that the invoices have been approved and the funds have been credited as an offset. Once the USAC recovery is satisfied, any additional invoices submitted will be processed as normal, subject to remaining availability of funds for each FRN.

- If you select the combination option (#3), please indicate the amount of cash payment and make your check payable to: "USAC – Fund Recovery." The difference between the dollar amount remitted and the total "Funds to be Recovered" amount due to USAC is the remaining amount to be recovered by foregoing disbursement on alternate FRNs after work is completed and invoices are submitted to USAC. The sum of both options must equal the required recovery amount.

If an offset methodology is selected either via Option 2 or 3 above, the following examples may help you understand how USAC will process submitted invoices to ensure accurate and timely recovery of funds. The offset methodology will apply to either Service Provider Invoice Forms (FCC Form 474) or Billed Entity Applicant Reimbursement (BEAR) Forms (FCC Form 472).

Example illustrates processing of invoices that exactly offset the recovery dollar amount:

Adjusted FRN and Recovery Dollar Amount	Alternate FRN and Available Dollar Amounts	Invoices Submitted SPIF or BEAR	USAC Applies to Recovery	USAC Pays
123 \$1,000	124 \$1,500	\$300	\$300	-0-
	125 \$ 800	\$400	\$400	-0-
	126 \$1,200	\$300	\$300	-0-
Total \$1,000	\$3,500	\$1,000	\$1,000	

Example 2 illustrates how invoices can be processed once the FULL amount of the recovery has been obtained:

Adjusted FRN and Recovery Dollar Amount	Alternate FRN and Available Dollar Amounts	Invoices Submitted SPIF or BEAR	USAC Applies to Recovery	USAC Pays
123 \$1,000	124 \$1,500	\$600	\$600	-0-
	125 \$ 800	\$800	\$400	\$ 400
	126 \$1,200	\$1,200	\$0	\$1,200
Total \$1,000	\$3,500	\$2,600	\$1,000	\$1,600

Please review the attachments **complete the Option Selection Worksheet, and return it within 30 days of the date of this letter.** An instruction sheet has been provided as well as a listing of alternate FRNs with valid or pending funding commitments available for offset.

If you have any questions, please call 1-888-203-8100, and ask for the Technical Client Service Bureau. These specially trained staff can assist you with this process.

Universal Service Administration Company  
Schools and Libraries Division

Attachments

CC: James Alther

LOS ANGELES UNIFIED SCHOOL DISTRICT  
333 S BEAUDRY AVE  
LOS ANGELES, CA 90017

**INSTRUCTIONS FOR:**

**SERVICE PROVIDER  
"OPTION SELECTION WORKSHEET"**

**1. Check Repayment option**

- If you are choosing Option 1 or 3

**Return within 30 days of the date of this letter:**

The completed, signed Option Selection Worksheet with your check to the appropriate address identified below:

If sending by US Mail or major courier service (e.g. Airborne, Federal Express, and UPS) please send check payments to:

Universal Service Administrative Company  
1259 Paysphere Circle  
Chicago, IL 60674

If you are located in the Chicago area and use a local messenger rather than a major courier service, please address and deliver the package to:

Universal Service Administrative Company  
Lockbox 1259  
540 West Madison 4th Floor  
Chicago, IL 60661

Local messenger service should deliver to the Lockbox Receiving Window at the above address.

- If you are choosing Option 2:

Return the completed, signed Option Selection Worksheet **within 30 days of the date of this letter to:**

Box 125, Correspondence Unit,  
80 South Jefferson Road,  
Whippany, New Jersey 07981

2. Indicate the amounts for the recovery option you have chosen.
3. **Sign and date** the Worksheet where indicated.

**OPTION SELECTION WORKSHEET**

**Case Number: OSW- 118**

**SELECT PAYMENT OPTION AND AMOUNTS FOR RECOVERY:**

Applicant Name: LOS ANGELES UNIFIED SCHOOL DISTRICT  
Applicant Address: 333 S BEAUDRY AVE, LOS ANGELES, CA 90017  
Billed Entity Number: 143454

**ERRONEOUSLY DISBURSED FUNDS:**

<u>Funding Year End</u>	<u>471 #</u>	<u>FRN</u>	<u>Funds to be Recovered</u>
06/30 2000	153035	297160	\$280,899.00
06/30 2000	154262	297172	<u>\$405,927.00</u>
Total Funds to be recovered for this applicant:			<u>\$686,826.00</u>

**Check one repayment option and specify dollar amount:**

1. ☐ Remit check for total amount
2. ☐ Offset total amount from FRNs
3. ☐ Combination check and offset

**TOTAL TO REMIT:** \$ \_\_\_\_\_

**TOTAL AMOUNT TO OFFSET:** \$ \_\_\_\_\_

**TOTAL AMOUNT OF RECOVERY:** \$ \_\_\_\_\_

*(Must equal the total amount to recover stated above)*

Signature of Authorized Representative \_\_\_\_\_  
Print Name of Authorized Representative \_\_\_\_\_  
Name of Service Provider \_\_\_\_\_  
Date \_\_\_\_\_

**SCHEDULE OF ALTERNATIVE VALID FRNs AVAILABLE FOR OFFSET**

Applicant Name: LOS ANGELES UNIFIED SCHOOL DISTRICT  
Applicant Address: 333 S BEAUDRY AVE, LOS ANGELES, CA 90017  
Billed Entity Number: 143454

**Other Valid FRNs for this applicant with unpaid dollars available for Offset:**

<u>Fund Year End</u>	<u>471 #</u>	<u>FRN</u>	<u>Dollars Potentially Available for Offset</u>
<b>Total Potentially Available for Offset:</b>			<b>\$0.00</b>

<b>NO OFFSETS AVAILABLE.</b>
------------------------------

\* The FCC directed in its October 26, 2000, Order that USAC permit service providers to choose as potential offsets pending funding requests that have not yet been featured in a Funding Commitment Decision Letter (FCDL). Therefore, the column 'Dollars Potentially Available for Offset' may include FRNs in the SLD system for which no decision has yet been issued. If so, those pending FRNs are indicated by an asterisk to the right of the requested discount. If, after SLD review is completed, any such request is reduced or denied, the potential offsets would be reduced and if total potential offsets fall below the 'Total Funds to be Recovered' shown above, the service provider will be required to remit payment for any shortfall.